



2014-15 Differentiated Pay Plan for Etowah City School

In June 2013, the State Board of Education passed a revised set of guidelines pursuant to Tenn. Code Ann. §49-3-306(h), which requires districts to create and implement differentiated pay plans. The intent of the differentiated pay plans is to give local control to districts in regard to salary schedule, and to create another lever for districts to attract and retain teachers based on a flexible set of potential criteria. A complete copy of the policy can be found [here](#).

Structure of this Document

The document includes two required sections where districts will describe their proposed 2014-15 differentiated pay plans and salary schedules. An optional section is also included on stakeholder engagement and eligibility. Finally, districts that choose to propose an [alternative salary schedule](#) as their differentiated pay plan, or part of their plan, will need to complete a short [addendum](#). A list of the common differentiated pay terms used throughout this document can be found in [Appendix A](#).

Timeline

The department has created a flexible timeline for differentiated pay plan submission to better meet the various deadlines of each district's local school board and budget processes. The table below outlines this timeline:

General Differentiated Pay Plan Submission Timeline	
Prior to submission	Local school boards are informed of and/or approve differentiated pay plans that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Ongoing	Districts submit differentiated pay plans to TDOE
Three weeks after date of submission	TDOE communicates approval decision to school districts
Following TDOE approval notification but no later than June 30, 2014	Local school boards approve final differentiated pay plans and any associated budget items

For those districts that choose to implement an [alternative salary schedule](#) as their differentiated pay plan (see page 5 for more detailed information on this option) the following timeline will be used in order to meet the necessary State Board of Education (SBE) deadlines.

Alternative Salary Schedule Submission Timeline	
Prior to submission	Local school boards are informed of the alternative salary schedule that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Jan. 31, 2014	Districts submit alternative salary schedules to TDOE
By Feb. 21, 2014	TDOE communicates approval decision of the alternative salary schedule to school districts
By March 8, 2014	Local school boards approve the alternative salary schedule
March 8, 2014	TDOE submits alternative salary schedule documents to the SBE
April 18, 2014	SBE Meeting

All differentiated pay plans and alternative salary schedules should be submitted to Laura.Encalade@tn.gov. The department also plans to post the final differentiated pay plans on its website.

Note that while the differentiated pay plan must be implemented in the 2014-15 school year, the first payouts from those plans could occur, particularly for those plans which include performance related criteria, at the completion of the 2014-15 school year when all relevant student achievement data is available. Following the 2014-15 school year, the department will collect evidence of implementation, including information regarding the number of awards that were paid out.

Contact Laura Encalade at Laura.Encalade@tn.gov or (615) 253-2119 for additional questions or guidance on creating your differentiated pay plan or on the submission and approval processes.

I. Description of Differentiated Elements (Required Section)

Directions: For each element of the district's differentiated pay plan, use the table below to provide a description of how the district will differentiate pay. The plan must include **at least one** of the elements listed below in the left-hand column, in addition to education and experience.

Many plans may include a combination of several elements; therefore, please add rows or repeat differentiated elements as needed. For example, the plan may include two different types of additional instructional roles. Also, please feel free to delete from the table or leave blank any differentiated elements that will not be used in your plan.

[Appendix B](#) of this document contains an example of each type of differentiated element. Please review that example prior to completing the table below.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Estimated Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will pay out for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
Performance	Etowah City School will maintain its current salary schedule				
Performance	Etowah City School has a TAP grant. A component of the TAP grant is a bonus pool budgeted at \$1,500 per teacher. The money is paid after test scores are received and the amount each teacher will receive depends their performance level: 50% Skills, Knowledge and	The amount of the bonus will depend on the number of teachers reaching the TAP goals. A teacher can receive none, part, or all of the bonus pool.	All teachers being evaluated under the TAP system are eligible.	Budgeted at \$1500 per teacher.	Budgeted at \$1500 per teacher; \$33,000 total

	Responsibilities (which includes 4 evaluations), 30% Classroom achievement gains, 20% School achievement gains.				
Additional Instructional Roles or Responsibilities	The TAP grant at Etowah City School pays two (2) Master Teachers and two (2) mentor teachers. These teachers are paid for additional training and for additional time worked during the year and the summer months.	Each Master teacher gets \$9,000 and each mentor teacher gets \$4,500 stipend for their work paid from the grant.	Teacher leaders are selected through competitive hiring for these school based roles.	The Master teacher gets \$9,000 and each mentor teacher gets \$4,500 stipend for their work paid from the grant.	\$18,000 for TAP Master stipends and \$9,000 for Mentor stipends.
Performance	A component of the TAP grant is a bonus pool budgeted at \$4,000 for each Principal. The money is paid after test scores are received and the amount each principal will receive depends on their performance level: 50% school-wide achievement, 30% 350 Survey-Tenn TILS, and 20% TLT Evaluations.	The amount of the bonus will depend on the performance levels of the principal and school-wide achievement scores.	The principal at Etowah City School is under the TAP system and is eligible for this component.	Budgeted at \$4,000 for the principal.	Maximum budgeted at \$4,000 per principal; 1 principal at Etowah City School
Performance	A component of the TAP grant is a bonus pool budgeted at \$1,500 for Assistant Principal. The money is paid after test scores are received and the amount each principal will receive depends on their performance level: 60% school-wide achievement, 20% 350 Survey-Tenn TILS, and 20% TLT Evaluations.	The amount of the bonus will depend on the performance levels of the assistant principal.	The assistant principal is under the TAP system and is eligible for this component.	Budgeted at \$1,500 per assistant principal.	Maximum budgeted at \$1,500 per assistant principal; 1 Assistant Principal at Etowah City School

Education	The District will maintain its existing salary schedule, which includes increases for advanced degrees	Based on current salary schedule.			
Experience	The District will maintain its existing salary schedule, including step increases for years of experience.	Based on current salary schedule.	All teachers are eligible for step increases, per the existing salary schedule.		

RULES FOR DIFFERENTIATED PAY PLAN

- The District Plan will be reviewed annually.
- Eligible employees must hold a valid teaching license from the State of Tennessee to be eligible for bonus awards.
- Bonuses and incentive awards are not ensured to occur every year. They are contingent upon program funding.

II. Salary Schedule (Required Section)

1. Please include below or attach a copy of the district's proposed 2014-15 salary schedule.
2. Describe how you will allocate any future state funding increases (i.e., FY13 1.5% increase in the BEP instructional component). Will increases be: 1) applied across-the-board, 2) allocated towards differentiated pay, or 3) a combination of both?

Please see the Etowah City School salary schedule below. At this time, there are no anticipated increases or changes that will be made to the existing salary schedule.

ETOWAH CITY SCHOOL TEACHER SALARY SCHEDULE: 2014-2015				
YEARS	BACHELOR	MASTERS	MASTERS + 30	EDS
0	35990	41065	43752	44708
1	37269	42412	45103	46034
2	37426	42595	45288	46221
3	37579	42773	45463	46405
4	38017	43483	46107	47078
5	38475	43996	46665	47573
6	39121	44742	47414	48365
7	39527	45301	47945	48938
8	40040	45856	48582	49613
9	40722	46645	49415	50442
10	41082	47094	49891	50895
11	41616	47866	50527	51481
12	42223	48496	51147	52188
13	42718	48936	51798	52788
14	43118	49580	52224	53253
15	44607	50688	53336	54374
16	44634	50740	53432	54520
17	44755	50810	53545	54665
18	44756	50939	53585	54861
19	44760	51274	53930	55075
20+	45301	51659	54313	55360

III. Eligibility and Stakeholder Engagement (Optional Section)

While this section is optional, the information provided will help the department to be able to provide continued support and assistance to districts in implementing their differentiated pay plans.

1. Provide a list of eligibility rules (i.e., attendance requirements, retirement or transfer policies, etc.) for the differentiated pay plan elements or additional roles/responsibilities outlined in the plan.
2. Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.
3. Does the district plan to expand or grow its differentiated pay plan in future years? If so, what types of changes or expansions are you considering to your differentiated pay plan or salary schedule?

IV. Alternative Salary Schedule (Optional Section)

An alternative salary schedule uses some other component, often performance criteria, in addition to or in place of education and experience to determine base pay and is subject to State Board of Education (SBE) approval. If you are unsure whether your plan qualifies as an alternative salary schedule or for additional resources for developing such a plan, contact Laura Encalade at Laura.Encalade@tn.gov for more information. Please review the [specific submission timeline](#) for alternative salary schedules on page 2.

Those districts proposing an alternative salary schedule as part of their differentiated pay plan, must complete this addendum to provide the department with the additional information needed to present the salary schedule to the SBE on behalf of the LEA. Those districts which already have SBE approved alternative salary schedules need only to submit a current copy of that plan.

a. Salary Schedule

Include both the proposed salary schedule and a description of the following:

- How will base pay changes be determined?
- Will existing employees have an opt-out provision for the alternative salary schedule? If so, when will all employees transition to the alternative salary schedule?
- How will the following groups be placed on the alternative salary schedule?:

- Existing district employees
- Educators new to teaching with zero years of experience
- Educators new to the district but with prior experience

b. Eligibility Criteria

If not already included in Section IV on the previous page, describe below or include in an attachment a copy of any eligibility rules for the alternative salary schedule.

c. Feasibility Analysis

Attach evidence using 2012-13 data (at a minimum) that the alternative salary schedule is financially feasible. Please reach out to Laura.Encalade@tn.gov for additional information or support in meeting this requirement.

d. Stakeholder Engagement

Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

Appendix A: Common Differentiated Pay Definitions

1. Base pay (base salary): An individual's salary excluding any additional compensation in the form of bonuses, stipends, or supplements for additional work or responsibilities.
2. Bonus/stipend: Additional compensation for a pre-defined set of criteria. Bonus and stipend pay are awarded in addition to or "on top of" an individual's base pay. Bonuses/stipends are one-time payments awarded for a specific role, additional responsibility, or achievement of particular criteria. Bonuses and stipends are not a part of base salary and do not become a reoccurring part of an individual's compensation.
3. Traditional salary schedule (or step and lane schedule): A salary schedule that uses years of experience and education levels exclusively to determine educator's increases in base pay. Traditional schedules may follow the same structure as the state minimum salary schedule. Salary schedules that modify the amount of the step increases given for experience or change the structure of the education lanes may still be considered a traditional schedule as long as they meet or exceed the relevant state minimums.

4. Alternative salary schedule¹: A salary schedule that uses some other component, often a performance measure, in addition to or in place of education and experience to determine base pay. A schedule where an educator's evaluation score is used to determine the amount of his or her yearly base pay increase is an example of an alternative salary schedule. Alternative salary schedules are subject to State Board of Education approval.
5. Opt-in/opt-out provision: Individuals are provided with the choice to participate in a program. This provision is most often associated with alternative salary schedules and is not a required provision.

¹ If you are unsure as to whether your plan is a traditional salary schedule or an alternative salary schedule, please contact Laura.Encalade@tn.gov.

Appendix B: Sample Differentiated Pay Plan Table

Note that these examples are for purposes of explaining HOW TO complete each of the table criteria. These examples are NOT intended to be recommendations or endorsements for specific differentiated pay elements. Districts are required to differentiate pay for **at least one element** in addition to **education and experience**. Because plans may include a combination of several elements, please add rows or repeat differentiated elements as needed. Please feel free to delete from the table any differentiated elements that will not be used in the district's plan.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus, stipend, or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will payout for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
Hard-to-Staff (School, Subject, or Placement)	The district will offer a signing bonus and retention bonus in the hard-to-staff area of secondary math. This will include positions in Algebra II, Pre-Calculus, and Calculus.	The award will be given as a two-part bonus. \$1,000 at the time of signing and an additional \$2,000 at end of the school year when evidence of satisfactory evaluation results are also available.	<p>This award will be available to new teachers to the district. The district typically hires 2 positions per school year in the areas defined.</p> <p>Existing teachers (3) in the subjects defined will also be eligible for the same bonus as a retention incentive.</p>	The estimated total for this is \$15,000 (5 teachers at \$3,000 each).	This award makes up less than 2% of the district's annual salary costs.
Performance	The district will incorporate a new salary schedule that uses evaluation criteria to determine base pay changes ² . A full description of the new schedule is attached in the addendum.	Teachers who receive a 3 will receive a base pay increase of 3-\$300, 4-\$500, 5-\$700. Those teachers receiving a 1 or 2 will not increase their base pay.	<p>All teachers (150) are eligible to receive the award.</p> <p>A copy of the complete eligibility rules is attached.</p> <p>Based on the last two years of evaluation data, the district anticipates between 80-85% of</p>	<p>The district anticipates the total cost to be \$40,000 based on last year's evaluation data.</p> <p>The district will sustain this cost by removing base pay</p>	These payouts will form close to 100% percent of salary costs, with the exception of some career ladder and other supplements.

² This differentiated element would qualify as an alternative salary schedule, and the district would need to complete the [Alternative Salary Schedule section](#) on page 5.

			teachers will receive a base pay change.	increases for Level 1 and 2 teachers.	
Additional Instructional Roles or Responsibilities	<p>The district will further its implementation of PLCs through the creation of a PLC leadership role.</p> <p>Highly effective teachers (scores of 4 or 5) will receive a stipend to lead and facilitate the monthly PLC meetings.</p>	The award will be given yearly in the form of a \$1,000 stipend.	<p>Any teacher who receives a 4 or 5 on their evaluation would be eligible to apply for the position. District and school leaders will then screen for additional qualities like leadership and facilitation skills. (Draft job description is attached.)</p> <p>There will be a total of 20 PLC leaders in the district:</p> <ul style="list-style-type: none"> - 6 at the high school, - 4 at the middle school, - 5 at each of the 2 elementary schools. 	The estimated cost of these awards is \$20,000.	This will compromise about 2% of district salary expenditures.
Education	<p>The district will include Bachelor's and Master's degrees for eligible base pay compensation as shown in the attached 2014-15 salary schedule. Degrees above a Master's will no longer be compensated in base pay.</p> <p>Advanced degrees above Master's degree will be eligible for tuition reimbursement with district pre-approval.</p>	<p>Master's degrees will be awarded with a base pay increase.</p> <p>Tuition reimbursement stipends of \$4,000 per year per individual for advanced degrees above Master's. The district must be notified in advance of the start of a program by the educator in order to receive the stipend.</p> <p>Those teachers currently enrolled in programs prior to July 1, 2014 will be eligible for base pay increases on the previous year's schedule, provided that those programs are completed by July 1, 2016.</p>	<p>The district currently has 15% of its teachers with an advanced degree above the Master's Level.</p> <p>We anticipate based on previous data that approximately 10-12 teachers will qualify for tuition reimbursement stipends each year.</p>	<p>This estimated total cost of this element is \$40,000-48,000 per year.</p> <p>The district expects to fund this cost by limiting permanent base pay increases to Master's degrees only.</p>	This will comprise about 8% of district salary expenditures.
Experience	The district will continue to award step increases for each	Each teacher will earn a yearly step increase for years of	All teachers are eligible.	The average step increase in the	This experience payment makes up

	year of experience. The attached salary schedule contains proposed amounts.	experience.		district is \$400 per year. The estimated cost is \$100,000	20% of the districts expenditures on salary.
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